

County Administrator's Budget Message

To: The Members of the Board of Supervisors

I am pleased to submit to you and to the citizens of James City County the financial plan for Fiscal Year 1999-2000. This plan balances all operating expenditures without a change in property tax rates. The budget reflects an investment in quality and in our future that will serve us well as we move into the next millennium. The County continues its commitment to our strategic management and comprehensive plans through initiatives in public safety, capital investment and education. The continuation of our market-based pay system and environmental programs such as greenspace, drainage, landscaping and recycling is also reflected. The budget also reflects an investment in the future infrastructure needs of our community with additional general fund dollars targeted to capital projects and to paying down debt service.

The proposed budget totals \$84,241,200, which is \$7,205,681, or a 9.4 percent increase over the current year's budget. Of this amount, \$4,445,230 relates to investment in capital projects and debt service, while \$79,795,970 is spending on recurring items such as the County's contribution to the Williamsburg/James City County Schools. This spending increase is \$5,761,071 or 7.8 percent over FY 1999. The budget increase is funded through growth in revenues that reflect a vibrant economy.

Continue to Move Forward While Serving the Needs of A Growing Community

James City County continues to be one of the most rapidly growing localities in the State. From 1990 to 1998, the County's population increased at an average annual rate of 3 percent, making it the twelfth fastest growing locality in Virginia. The average locality in Virginia grew just 1.1 percent annually and the average Hampton Roads locality grew by only 0.6 percent over the same period. The County is an attractive community in which to work and live, which is reflected by the average net migration rate of 22.5 percent from 1990 to 1998. Our relatively high rate of growth creates certain challenges: controlling the quality of that growth and responding to additional demand for services and facilities, particularly in the areas of public safety, recreation, and education.

As in previous years, early in the budget process I issued guidance to County departments and outside agencies. We recognized that the upcoming fiscal years would continue to be challenging, as we fully fund the operating costs of a new fire station and a new City/County Courthouse. In addition, the seventh elementary school is slated to open in September 2000. While the major focus has been finding resources to fund the personnel and support structure necessary to operate our new public facilities, we also wanted to continue to strengthen the County's overall service delivery and meet the commitments made through the strategic management and comprehensive planning processes.

As in previous years, departments were asked to do the following in preparing their budget requests:

County Administrator's Budget Message

- Thoroughly examine opportunities for outsourcing and consolidating services with either other departments or other County supported agencies.
- Seek resources other than general tax dollars to support their operations.
- Ensure that the services that the department is providing are consistent with the County's Comprehensive Plan and Strategic Management Plan.
- Identify strategies in operational plans for incorporating information technology tools.

The proposed budget reflects the results of these efforts, and focuses on the four County Goal areas adopted by the Board of Supervisors as part of the Strategic Management Plan:

I. Balance Service Demands With Available Resources

In many ways, this goal area overarches every aspect of County operations. The County ensures that resources are managed effectively by examining services, procedures and organizational structure; using methods such as benchmarking and continuous process improvement. Opportunities for cost savings and improved services are identified through regional cooperation, private sector involvement, and partnerships. Departments and County funded agencies are encouraged to identify alternative resources; such as grants, user fees and volunteer assistance, in order to provide services. The County's Neighborhood Connections program has been successful in educating citizens and citizen groups, helping them to address some of their service needs through self-help.

II. Enhance the Character of the Community

James City County offers a high quality of life to its citizens, which is what makes it an attractive community. We want to preserve and enhance the County's character by balancing the natural environment and rural atmosphere with appropriate growth and economic development. This budget continues to provide resources for acquiring Greenspace and for landscaping of road medians. Funding is also included for environmental protection to preserve conservation and other environmentally sensitive areas, the accumulation and development of public greenways, and the development of bikeways. A new proposal this year is to put overhead utilities underground along Community Character Corridors. Where possible they are buried in conjunction with road projects. These enhancements are consistent with the County's Comprehensive Plan.

III. Ensure Broad-Based Citizen Involvement in Decision Making

The County continues its commitment to encourage broad citizen participation in decision making. Our goal is to ensure citizen access to every stage of a continuous, open and visible communications process. This effort includes informing the public about issues and processes, getting feedback, following up on the feedback when making and implementing

County Administrator's Budget Message

decisions, and measuring how well the citizen's needs are met. Improvements are planned in television access, "FYI" circulation, and the County's web site.

IV. Promote a Healthy Community

This goal area focuses on providing for a community that is not only safe, but also has robust environmental and economic health. Meeting this goal is a major focus in the proposed budget. Public safety objectives include replacement of the County's radio system to improve both emergency and administrative communication, reducing fire and emergency response times, providing crime prevention, school resource and community policing programs, and reducing the number of preventable fires. Public Safety expenditures for Police, Fire, Emergency, and related services, continue to consume a large percentage of the General Fund budget – 12 percent of the total, and 16 percent of the increase in spending for FY 2000.

A new fire station will be constructed in the Centerville/News/Brickbat Road area to better respond to service requirements in the Route 5 corridor. Last year, the County began funding the cost of staffing and operating the new station, and the proposed financial plan includes a full year's worth of spending for this effort. The County's cost for juvenile detention at the regional facility is increasing based on the number of County juveniles housed there as well as the number of alternatives to secure detention.

The environmental and economic health of the County is addressed in several areas. The James City Service Authority will make improvements to and expand its water delivery and wastewater collection services. The Economic Development department will continue its efforts to attract industry and businesses that increase the nonresidential tax base and improve job opportunities. Funds are also proposed to support the Crossroads Project. Community Services will provide loan and grant assistance to low- and moderate-income households for housing improvements, and will continue to support efforts to serve youth, the elderly and at-risk populations. Lastly, a Community Outreach Coordinator's position, whose grant funding ends this year, will be made a full-time position to continue the successes gained by working with neighborhoods to identify and address health issues.

Funds

The County generally groups expenditures into funds. The following categories of funds are included in this proposed budget:

General Fund: This is the County's major operating fund, and is where tax dollars are deposited. Most ongoing activities, such as police and fire services, and the County's contribution to school operations, are accounted for in the General Fund.

Capital Improvements Fund: The fund is used to account for the cost of major, one time infrastructure or equipment investments, except for those related to water and sewer service.

County Administrator's Budget Message

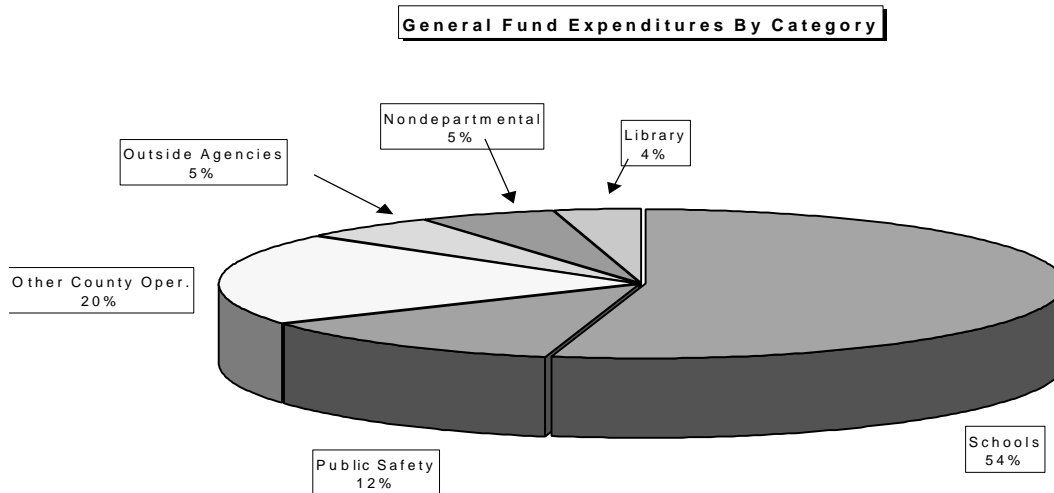
Proprietary Fund: The James City Service Authority, which is responsible for providing sewer and water service to certain areas of the County, has its own fund, which is supported solely by user fees. Both ongoing operations and capital investments are accounted for in this fund.

Special Revenue Funds: Programs where the major sources of revenue are not local tax dollars are classified under these funds. Such programs include Social Services and Transit operations.

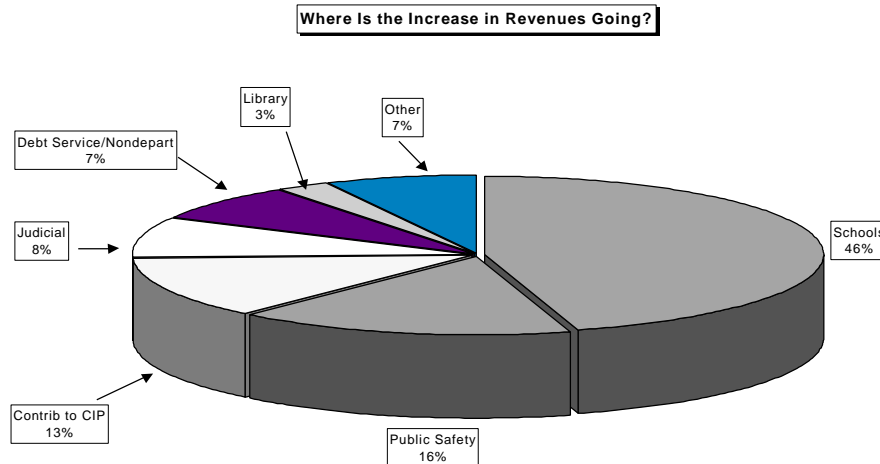
? GENERAL FUND

The recommended General Fund budget for FY 2000 is depicted below:

	Budget FY 99	Recommended FY 00	\$ Change	% Change	% Of Total Increase
Contribution to School Operations	\$41,987,738	\$45,281,300	\$3,293,562	7.8%	45.7%
Debt Service/Nondepartmental	1,722,554	2,245,230	522,676	30.3%	7.3%
Contribution to CIP	1,278,066	2,200,000	921,934	72.1%	12.8%
Other County Spending	32,047,161	34,514,670	2,467,509	7.7%	34.2%
	<u>\$77,035,519</u>	<u>\$84,241,200</u>	<u>\$7,205,681</u>	<u>9.4%</u>	<u>100.0%</u>



County Administrator's Budget Message



Schools

The recommended contribution to the Williamsburg-James City County School system, which includes funding for both ongoing operations and debt service for School facilities, is \$45,281,300, which represents 54 percent of the County's proposed operating budget, and is an 7.8 percent increase over the FY 1999 contribution of \$41,987,738. The \$3,293,562 increase in this amount consumes 46 percent of new revenues for FY 2000.

This proposed County contribution for FY 2000 funds the amount requested by the School Superintendent, and is sufficient to pay for an expansion of summer school and programs for at-risk children, technology upgrades and additional technology teaching positions, the extended Middle School program, the early funding of a principal and secretary for the new elementary school, staff compensation, and enrollment growth. Once again, the Superintendent and staff worked hard to fit the School budget within the revenue targets and were particularly cooperative in a joint effort to match needs and resources. I would like to extend my thanks for their participation in a successful, collaborative budget process.

Debt Service/Capital Fund Contribution

The FY 2000 proposed spending plan includes significant initiatives in the general fund contribution to the payment of debt service and to capital investment which represent an investment in the future of our County. Debt service costs are increasing because of a Virginia Public School Authority bond issue in 1999 used to finance the renovation and expansion of Berkeley Middle School and the construction of the seventh elementary school. The robust economy has generated additional general fund revenue, and I believe the prudent use of this revenue is to pay down debt and invest in one-time expenditures. While the economic outlook continues to be positive in the near future, I want to minimize the increase in recurring

County Administrator's Budget Message

expenditures, allowing us to be more flexible in responding to a possible downturn in the business cycle. The general fund contribution toward the payment of debt service will increase by \$522,676, to \$2,245,230 in FY 2000. The contribution to the Capital Projects fund will increase by \$921,934, to \$2,200,000. Projects funded by this contribution are discussed in the Capital Projects Fund section of this message.

Transfers to Other Programs

Transfers to programs other than County operations and the School system amounts to \$7,325,734 for FY 2000, which is a \$351,005 or 5 percent increase over the FY 1999 budget of \$6,974,729. The three largest items in this are the County's cost of incarcerating prisoners in the Regional Jail, the contribution to the Williamsburg Regional Library and contributions to outside agencies.

Regional Jail

The County is a member of the Virginia Peninsula Regional Jail Authority, which oversees the jail, located in James City County. This budget includes the County's share of operations for the facility for FY 2000. The Jail Authority's members include the Counties of James City and York, and the Cities of Williamsburg and Poquoson. The County's cost for inmate incarceration will decrease by \$41,301, reflecting both the number of James City County inmates incarcerated and a lower per-diem charge.

Regional Library

The City of Williamsburg and James City County share the cost of Library operations, based on their respective share of circulation. James City County's relative circulation increased with the opening of the new Library in Norge, so our share of operating expenditures has been increasing.

Beginning in FY 2000, the contract between the City and the County for Library services changes. A key provision in the revised contract will bring library employees under the County's personnel and pay plans. The Library will also open additional hours. The contract also calls for a one-time additional payment from the City of \$60,880 in FY 2000.

After adjusting for the one-time City payment, the County contribution to the Library is \$2,773,759. This amount does not fully fund the Library's request; it is \$17,195 short of the \$2,790,954 requested by the Regional Library Board. However, the recommended funding increase of 4.5 percent will allow for additional staff hours required for expanded opening times, adjustments to the Library's compensation plan needed to bring the Library employees onto the County's pay plan, and an overall merit increase of 4 percent.

Contributions to Outside Agencies

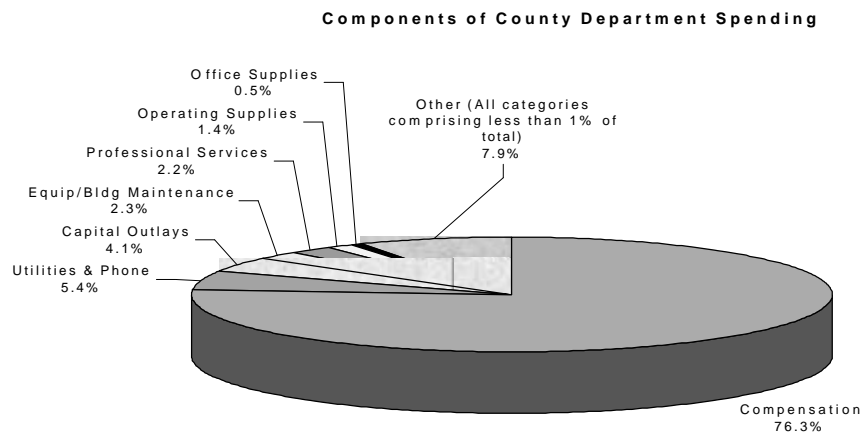
The County contributes to a number of outside agencies, such as the James City County Volunteer Rescue Squad, James City/Bruton Volunteer Fire Department, the Community Action

County Administrator's Budget Message

Agency, Peninsula Agency on Aging and Williamsburg Arts Commission, which provide services to County residents and businesses. Two years ago, the County began assessing an additional 2 percent in room tax, bringing the total room tax to 4 percent. This additional tax is required by State law to be targeted at efforts to increase visitation in the County. The proceeds of \$1,020,000 are targeted to the Williamsburg Area Convention and Visitors Bureau, Tourism Investment Grants, Entryway Landscaping and Jamestown 2007 planning, and other marketing efforts. A complete list of contributions to outside agencies can be found on Pages C-53 and C-54.

County Expenditures

Spending for that portion of the General Fund budget that includes the basic operating departments of the County will increase by 7.7 percent for 2000. This increase is funded by revenue growth. Most of the spending increase is directed at public safety enhancements.



Personnel

New Positions

The FY 2000 General Fund includes 13 ½ net new full-time positions, most of which are directed at Public Safety and Criminal Justice. In addition, two Police positions and a Community Outreach Coordinator's position that were previously paid primarily with grant funding, are proposed to be paid 100 percent by the County. A Plumbing and Mechanical Inspector whose cost was partially paid by the Stonehouse Development last year will be fully funded by the County beginning in FY 2000. A Personnel Analyst position required under the new Library contract will be fully funded by the Library. These positions also address County Goal Areas as follows:

County Administrator's Budget Message

Promote A Healthy Community

- Police Department** (1) Police Officer Recruit to respond to the increase number of arrests resulting from the new domestic violence law, and other workload increases.
- (2) Police Officer positions, the majority of whose cost were previously paid with grant money that is now expiring, will be upgraded from limited term to permanent status and fully funded by the County. The two positions are a Narcotics Officer and a Middle School Resource Officer.
- Fire Department** (1) Firefighter Recruit to increase minimal staffing at Station 1.
- Central Dispatch** (2) Telecommunicator Trainee positions to address a growing workload, including the increased dispatch requirements generated by the new Fire Station.
- Commonwealth Attorney** (1) Entry level prosecutor in response to the increased prosecutions resulting from the new domestic violence law, along with workload increases.
- Courts** (1) Facilities Superintendent to oversee the building administration of the new City/County Courthouse. The City of Williamsburg will pay for 20 percent of the cost of this position.
- Sheriff** (3) Sheriff Deputies to staff the control room and additional courtrooms at the new Courthouse. The City of Williamsburg will pay for 20 percent of the cost of these positions. The Sheriff is asking the State to fund a portion of the positions.
- Neighborhood Connections** (1) Community Outreach Coordinator, whose two-year Health Community 2000 Grant ends in 1999, will be upgraded from limited-term to permanent status and fully funded by the County.
- Code Compliance** (1) Plumbing and Mechanical Inspector, whose cost was partially paid by Stonehouse Development in FY 1999, will be changed from limited term to permanent status and fully funded by the County.

Enhance the Character of the Community

- Environmental Division** (1) Civil Engineer to implement a stormwater management program.

County Administrator's Budget Message

Planning (1) Landscape Planner to help ensure high quality development.

Balance Service Demands with Available Resources

Data Processing (1) Programmer/Analyst to provide more cost-effective support for the Commissioner, Treasurer and Real Estate Assessor's software packages.

Human Resources (1) Full-time limited-term Personnel Analyst to provide personnel services to the Library employees under the new library contract. The Williamsburg Regional Library pays the cost of this position.

Satellite Office (1) Part-time Citizens' Assistance Officer will be upgraded to full-time to ensure minimal staffing of at least two employees at all times.

Maintaining the Market Based Pay Plan

Because last year's update to our salary structure has kept it competitive, I'm not recommending an adjustment to the salary ranges this year. Five job classes have been reclassified because of significant changes in duties and/or responsibilities. Eight job classes will be moved to different salary ranges because of changes in salaries for those jobs in our market. The total cost for maintaining the pay plan is \$37,830.

Pay for Performance

Employees will be eligible for an average 4 percent salary increase based on performance. This amount is the same percentage as last year and is consistent with what was in the biennial budget. The cost including fringe benefits will be \$613,000.

Salary Adjustments

I am also recommending salary adjustments to differentiate among the salaries of employees with various years of experience who are clustered together near the beginning of their salary ranges. These adjustments will cost \$114,334 including fringe benefits. Almost 80 percent of the cost is in Public Safety jobs.

This budget does not contain improvements to other State retirement programs but maintains the current VRS program offered by the County.

County Administrator's Budget Message

Operating Expenditures

Public Safety

Enhancements and growth in the Public Safety area consume 16 percent of the new dollars for FY 2000, and 12 percent of the total spending. Most of the increase results from a full year's worth of staffing and operation requirements related to the new Fire Station, along with the new positions noted above for the Sheriff, Commonwealth Attorney, and Police department. The strong tourism industry creates additional demands on the Police and Fire departments, as the number of people in the County is markedly higher during periods of heavy visitation. The new City/County Courthouse will be completed in 1999, and the associated operating costs are also programmed in this spending plan.

Parks and Recreation

The majority of the increase in the Parks and Recreation budget reflects an enhanced level of service, targeted at programs for youth. In addition, funds are included in support of a Special Needs Camp for children with disabilities. This camp is a collaborative partnership between the County and the Williamsburg/James City County Public Schools. Also, this budget reflects a continuation of the new child care program offered for parents using the facilities at the James City County/Williamsburg Recreation Center. User fee revenue will increase with expanded service offerings, membership growth, and proposed sponsorships. For FY 2000, user fee revenue is expected to cover 58 percent of the direct cost of recreation activities.

Maintaining Existing Services

Beyond the funding required to fund a full year of operations for the new Fire Station, other public safety enhancements, and an increase in debt service and transfer to the Capital Projects fund, there are few other initiatives included in this budget. Ninety-three percent of the \$7,205,681 in new revenue for FY 2000 is consumed by additional funding for Schools, Public Safety and Judicial costs, the Williamsburg Regional Library, the additional debt service and transfer for capital spending. The majority of the remaining dollars fund the adjustments in our market based pay system and the pay for performance increase. The Neighborhood Connections program will be extended to additional neighborhoods within the County and the Community Outreach Coordinator position will be maintained.

Adherence to a Two-Year Financial Plan

Last year, the Board of Supervisors adopted a two-year budget. The first year, FY 1999, was officially appropriated and the second year was established as a financial target for this year's operating budget. We expected some changes to be unavoidable, particularly given the surge in residential development and the change in fiscal policies at the State level. The following chart compares the FY 2000 budget I've proposed to the FY 2000 budget adopted by the Board for planning purposes last April:

County Administrator's Budget Message

	FY 2000 Budget Adopted in 1998	Current Proposed FY 2000 Budget	\$ Change	% Change
Contribution to School Operations	\$44,811,600	\$45,281,300	469,700	1.0%
Debt Service/Nondepartmental	1,902,080	2,245,230	343,150	18.0%
Contribution to CIP	1,518,132	2,200,000	681,868	44.9%
Other County Spending	33,232,012	34,514,670	1,282,658	3.9%
	<u>\$81,463,824</u>	<u>\$84,241,200</u>	<u>2,777,376</u>	<u>3.4%</u>

The change in debt service is attributed to a focus on increasing the amount of general fund dollars that go toward paying down debt, reducing the amount of debt service fund balance that is used. The contribution to the Capital Improvements Program reflects an investment in future facilities. The School increase fully funds the School Superintendent's request and passes through increases in the State sales tax for education. Other County spending is largely the result of enhancements in public safety and judicial costs, including funding a full year of operating costs associated with the new City/County Courthouse and an increase in juvenile detention costs.

? REVENUES

The FY 2000 budget includes two revenue initiatives related to the continuation of recovering costs of certain services through user fees. However, the revenue impact of these two items is minimal.

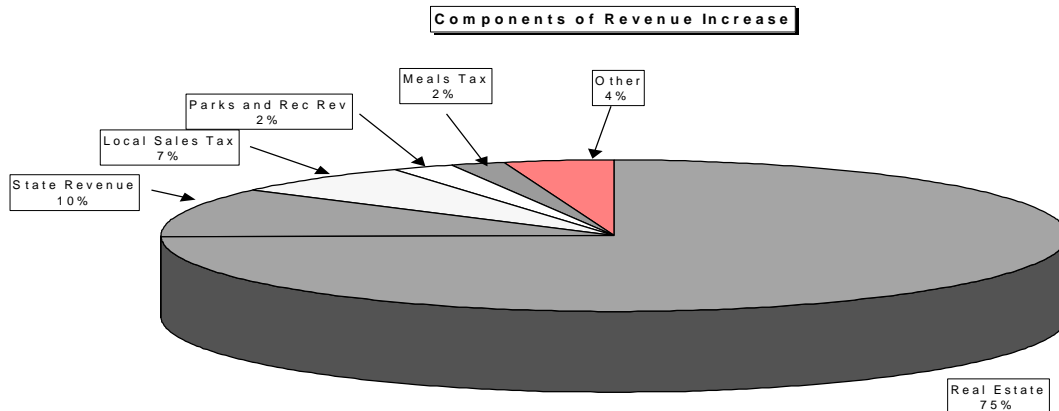
1. Fire department fees related to burning:
 - A "debris waste-open" burning permit fee of \$50.
 - A bonfire permit fee of \$25.
 - A fireworks permit fee of \$100.

The total revenue expected from these fees is \$3,700.

2. \$50 fee for open gathering permits. The total fee revenue from this item is expected to be no more than \$500, but the fee supports the cost of the advertisement.

Additional State funding contributes significantly to the overall revenue generated for FY 2000. Part of this funding results from a shift in local dollars generated by the car tax to state reimbursement to the County for the refund of most of this tax. The car tax reimbursement is expected to be \$3,310,295 for FY 2000, but local car tax revenue will decrease by \$3,087,200. In addition, the State has reinstated full payment of 599 monies in support of police operations. The County is expected to receive \$575,202 in additional 599 funds for FY 2000, bringing the total to \$904,659. Overall, State revenue will increase by \$4,060,909 for FY 2000.

County Administrator's Budget Message



? CAPITAL PROJECTS FUND

The County's Capital Projects Budget for FY 2000 is \$9,792,858, and reflects the County's commitment to the Comprehensive Plan and the four goal areas of the Strategic Management Plan mentioned at the beginning of this message:

- ✓ Economic Development Infrastructure – \$750,000 is included to invest in property for economic development efforts. This could include acquiring a site and building a second, shell building primarily funded by proceeds from the sale of the first shell building at Stonehouse. The Crossroads area is one potential location.
- ✓ Monticello Avenue Extended – The Virginia Department of Transportation will match local dollars one for one, up to \$500,000, under a revenue sharing program. In 1999-2001, monies will be used to partially fund the extension of Monticello Avenue. The local match will come from developers in two of those years.
- ✓ Underground Utilities – \$380,000 is programmed for a new proposal, consistent with the Comprehensive Plan, to put overhead utilities underground. The initial focus will be on those Community Character Corridors leading to Jamestown.
- ✓ Greenspace – The County will continue its investment in the Greenspace fund, which was created by the Board of Supervisors, in response to community feedback, to finance the acquisition of property or easements that would create permanent greenspace in several areas of the County.
- ✓ District Park – The proposed budget for the next four years focuses on continuing improvements in accordance with the master plan for the development of the County's District Park.

County Administrator's Budget Message

- ✓ Radio System Improvements – the Fire Department has proposed to replace the existing radio system, both emergency and administration, with a trunked 800 mhz radio system.
- ✓ School Projects – These include:
 - New Elementary School in the Stonehouse district of the County.
 - School Bus Replacements

Other investments funded as part of the FY 2000 Capital Budget include:

Road Matching Funds

Upgrading existing County roads by matching additional State dollars.

Bikeways local match

Federal funding requiring a local match is designated for five bikeways in the Ironbound, Centerville, Croaker, and Jamestown Road areas.

Regional Drainage Basins

To better manage runoff from existing development that occurred prior to stormwater management regulations

Sidewalk Improvements

The list includes the Longhill Road, District Park, Centerville Road, Ironbound Road, Strawberry Plains Road, and John Tyler Highway areas.

Economic Development Incentive Fund

These funds allow the County to consider inducements for commercial and industrial investment in James City County.

Community Networking

The emphasis will be on making improvements to the central server and network, and on connecting the five County fire stations, the new jail and juvenile detention facility, the new Courthouse and the law enforcement center to the fiber network.

Government Center Expansion

A space needs study is completed and funds exist for the expansion of space at the County's Government Center. The scope and timing of the expansion will depend on an implementation plan.

? PROPRIETARY FUND

The James City Service Authority (JCSA), found in Section E of this document, represents the financial plan for operating and capital costs of the water and sewer programs, which are provided to certain areas of the County. The JCSA is financed entirely by user fees and receives no revenue from the County.

County Administrator's Budget Message

Within the FY 2000 water fund, revenues are projected to increase by \$341,658 or 6.1 percent, primarily due growth in the numbers of users served. Within the sewer fund, revenues are expected to grow by \$330,010, or 10 percent in FY 2000. These increases arise primarily from customer growth, and the sewer fund reflects a customer service enhancement by placing more emphasis on Wastewater Systems Preventive Maintenance and Rehabilitative Programs.

One additional Utility Operations Specialist is included in the FY 2000 budget to assist the Industrial Electrician and Mechanic with electrical preventive maintenance programs.

The JCSA Capital Budget is dominated by renovation/rehabilitation projects for both water and sewer, in a continuing effort to maintain and improve the systems.

? SPECIAL REVENUE FUNDS

The majority of support in the Special Revenue Funds, which are found in Section F, comes from State and Federal Grants. The County General Fund contributes to these funds, though; which include Transit, Community Development, and Social Services operations. The Transit budget is focusing efforts on the successful Visitor's Shuttle, which will be in its third year. The cost of this Shuttle is shared with the City of Williamsburg and York County. The Social Services fund increases 11 percent from the FY 1999 funding level, most of which reflects state and federal funding for new initiatives in Foster Care and Day Care. The Community Development Fund maintains the current level of service.

Conclusion

I am pleased to submit to you a proposed budget for FY 2000 which attempts to balance the demands created by growth with available resources, and invests in the future of our County. We are able to fund enhancements in public safety, education and the library with no increase in the property tax rates. Two user fee initiatives contribute a modest amount of revenue to the overall budget, but continue the Board of Supervisor's effort in funding costs through such fees where appropriate. The County, like other localities and the State, has been helped in no small measure by the robust economy. If the local economy grows at a slower rate or declines, we could face funding challenges, particularly with a rapidly growing population.

To mitigate increasing tax burdens as we move forward, the County continues to focus effort in the area of economic development so that we can maintain a diversified tax base. Moreover, we remain committed to continuing to provide high quality services at a reasonable cost. This budget proposal meets that commitment.

Respectively submitted,

Sanford B. Wanner
County Administrator